

FEDERAL COMMUNICATIONS COMMISSION  
Washington, D. C. 20554

JAN 08 2003

OFFICE OF  
MANAGING DIRECTOR

Stephen Liberty, President  
Webster Cable & Communications, Inc.  
2185 Hardesty Raymond Road  
Webster, KY 40176

Re: Request for Waiver of FY 2002  
Regulatory Fee  
Fee Control No.: 00000CDMG-02-093

Dear Mr. Liberty:

This letter is in response to your request for waiver of the regulatory fees for Fiscal Year (FY) 2002 filed with respect to Webster Cable & Communications, Inc. (Webster).

You recite that Webster is a small Satellite Master Antenna Television (SMATV) company with 30 subscribers and request a waiver based on financial hardship. In support, you enclose a copy of Webster's 2001 federal income tax return.

In establishing a regulatory fee program, the Commission recognized that in certain instances payment of a regulatory fee may impose an undue financial hardship upon a licensee. The Commission therefore decided *to* grant waivers or reductions of its regulatory fees in those instances where a "petitioner presents a compelling case of financial hardship." See Implementation of Section 9 of the Communications Act, 9 FCC Rcd 5333, 5346 (1994), recon. granted, 10 FCC Rcd 12759 (1995). The Commission further held that regulatecs can establish financial need by submitting:

[I]nformation such as a balance sheet and profit and loss statement (audited, if available), a cash flow projection . . . (with **an** explanation of how calculated), a list of their officers and their individual compensation, together with a list of their highest paid employees, other than officers, and the amount of their compensation, or similar information.

10 FCC Rcd at 12761-62

*In* determining whether a licensee has sufficient revenues to pay its regulatory fees, the Commission relies upon a licensee's cash flow, as opposed to the entity's profits. Thus, although deductions for amortization and depreciation, which do not affect cash flow, and payments to principals, reduce gross income for tax purposes, those deductions also represent money which is considered to be available to pay the regulatory fee.

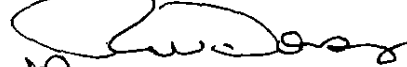
Stephen Liberty, President

2.

Our review of the financial documentation you submitted indicates that, although Webster suffered a financial loss in 2001 of \$528, this loss resulted from a tax deduction for depreciation of \$854. Thus Webster had money from its deduction for depreciation from which it could pay the regulatory fee. Accordingly Webster has not made a compelling showing of financial hardship and its waiver request is denied.

If you have any questions concerning this letter, please contact the Revenue and Receivable Operations Group at (202) 418-1995.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Reger", with a stylized flourish at the end.

Mark A. Reger  
Chief Financial Officer

00000R006-02-093

WEBSTER CABLE & COMMUNICATIONS, INC.  
2185 Hardesty Raymond Road  
Webster, KY 40176  
(270) 668-1000

Office of the Managing Director  
FEDERAL COMMUNICATIONS COMMISSION  
445 12<sup>th</sup> Street, S.W., Room 1-A625  
Washington, D.C. 20554  
ATT: Regulatory Fee Waiver/reduction Request

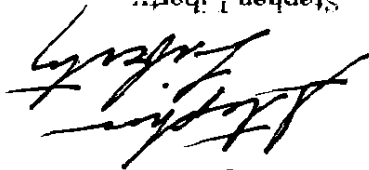
September 21, 2002

Dear Managing Director, we are a small Satellite Master Antenna Television (smatv) company of only 30 subscribers. We cannot afford many large bills such as purchasing new equipment to add new channels to compete with large companies such as EchoStar and Direct TV. We hope to add more channels to keep our current subscribers. The cost of regulatory fees will hinder us from competing with such large companies. Therefore we are asking for a waiver for these regulatory fees.

We have enclosed a copy of our 2001 federal tax form for your review. We wish to keep this information confidential.

Thank you in advance for your consideration.

Sincerely,



Stephen Liberty  
President

ACCOUNT PROCESSING  
8ACLP-097/RPT/TMT

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